

Lianhe Global has affirmed ‘A-’ global scale Long-term Issuer Credit Rating with Stable Outlook to Weifang Urban Construction and Development Investment Group Co., Ltd.

HONG KONG, 17 June 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘A-’ global scale Long-term Issuer Credit Rating to Weifang Urban Construction and Development Investment Group Co., Ltd. (“WUCDI” or “the company”). The Outlook is Stable.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that the People’s Government of Weifang City, Shandong Province (“Weifang government”) would provide strong support to WUCDI if needed, in light of its majority ownership of WUCDI, WUCDI’s strategic importance as the key local investment and development company (“LIDC”) that is responsible for infrastructure construction and state-owned asset operation in Weifang City, Shandong Province (“Weifang”), and the linkage between the Weifang government and WUCDI, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, the Weifang government may face significant negative impact on its reputation and financing activities if WUCDI encounters any operational and financial difficulties.

The Stable Outlook reflects our expectation that WUCDI’s strategic importance would remain intact while the Weifang government will continue to ensure WUCDI’s stable operation.

Rating Sensitivities

We would consider downgrading WUCDI’s rating if (1) there is perceived weakening in support from the Weifang government, particularly due to its reduced strategic importance with diminished government functions, or (2) there is a significant reduction of the Weifang government’s ownership of WUCDI, or (3) there is a downgrade in our internal credit assessment on the Weifang government.

We would consider upgrading WUCDI’s rating if (1) there is strengthened support from the Weifang government, or (2) there is an upgrade in our internal credit assessment on the Weifang government.

About Lianhe Global

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local investment and development companies, and other asset classes around the globe. Lianhe Global also provides credit risk research and other services related to credit ratings.

Rating Methodology

The principal methodology used in this WUCDI's rating is Lianhe Global's China Local Investment and Development Companies Criteria published on 5 December 2022, which can be found at the website www.lhratingsglobal.com.

Note: The above Issuer/Issuance Credit Ratings are solicited at the request of the rated entity or a related third party.

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